

## Message Text

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ORIGIN XMB-04

INFO OCT-01 AF-10 ISO-00 EB-08 PA-01 H-01 L-03 SP-02  
AID-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-10 NSAE-00 OPIC-03 LAB-04  
SIL-01 INRE-00 NSCE-00 SSO-00 /080 R

XMB

DRAFTED BY XMB: R A SWART:EMC  
APPROVED BY AF/E:RPOST  
XMB: C NORRIS  
J BIERMAN  
EB/IFD/ODF:TPARKER  
AF/E:PGSMITH  
-----113465 210018Z /70  
O 202339Z APR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LUSAKA IMMEDIATE

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E.O. 11652: N/A

TAGS: EFIN, XMB

SUBJECT: ZAMBIAN REQUEST FOR EXIM GUARANTEE EXTENSION

REFERENCES: (A) LUSAKA 1107; (B) LUSAKA 1297;  
(C) LUSAKA 788

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1. FOLLOWING RECEIPT REF A EXIMBANK CONTACTED EQUATOR  
BANK TO CLARIFY NATURE OF ZAMBIAN REQUEST. EQUATOR  
BELIEVES ZAMBIANS NOT RAISING QUESTION OF STRETCHING OUT  
PAYMENTS ON ALREADY DISBURSED SUMS UNDER REVOLVING LINES  
OF CREDIT, BUT ASKING FOR RENEWAL OF LINES FOR ANOTHER  
YEAR. EXIMBANK HAS RENEWAL UNDER CONSIDERATION, BUT IS  
WAITING FOR IMF DATA EXPECTED THIS WEEK TO ASSIST IN  
ANALYSIS OF COUNTRY SITUATION. EXIM APPRECIATED ANALYSIS  
REF C OF ITS OWN INTERESTS IN CONTINUING TO FACILITATE

ZAMBIA'S EXPORT EARNINGS FROM COPPER MINES, AND UNDERSTANDS OVERALL USG POLICY INTERESTS. BANK MUST STILL SATISFY ITS REQUIREMENTS FOR BASIC CREDITWORTHINESS OF COUNTRY, WHICH MAY HAVE BEEN CONSIDERABLY ENHANCED BY CONCLUSION OF IMF PROGRAM BUT IS STILL NOT CLEARLY RE-ESTABLISHED.

2. EXIMBANK NOW HAS PRESSING PROBLEM IN FORM OF CLAIM WHICH BANK PAID ON MARCH 29 ON DLRS 114,876 SALE OF USED CLOTHING BY J. GERBER AND COMPANY TO PIPER CLOTHING

LIMITED. ACCORDING TO TELEX FROM NATIONAL COMMERCIAL BANK OF ZAMBIA (NDOLA), PIPER CLOTHING DEPOSITED KWACHA FOR PAYMENT TO GERBER ON APRIL 14, 1977, BUT NCBZ STILL WAITING FOR AUTHORIZATION FROM CENTRAL BANK TO MAKE TRANSFER. TRANSACTION IS NCBZ REFERENCE 8282. EXIMBANK EXPECTS TRANSFER SHOULD BE NEARING HEAD OF FOREIGN EXCHANGE QUEUE BUT WOULD APPRECIATE EMBASSY'S RAISING CLAIM WITH FINANCE MINISTRY TO FACILITATE CONSIDERATION OF SUPPLIER CREDIT RENEWALS. AS EMBASSY AWARE, BANK HAS LONG STANDING POLICY OF REFUSING NEW BUSINESS IN COUNTRIES WITH OUTSTANDING TRANSFER RISK CLAIMS OR DELINQUENCIES ON GOVERNMENT OR GOVERNMENT-GUARANTEED CREDITS. WHILE RENEWAL IS NOT STRICTLY SPEAKING NEW BUSINESS, LIMITED OFFICIAL USE

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PIPER CLOTHING CLAIM WILL HAVE IMPORTANT BEARING ON BOARD'S DECISION. BOARD MIGHT, FOR EXAMPLE, RENEW BUT BLOCK DISBURSEMENT PENDING PAYMENT OF CLAIM, OR MIGHT REFUSE TO RENEW PENDING PAYMENT.

3. EMBASSY SHOULD CONVEY TO FINANCE MINISTRY EXIM'S DESIRE TO CONTINUE SUPPORTING U.S. EXPORTERS SELLING TO ZAMBIA IF AT ALL POSSIBLE WITHIN THE BANK'S TERMS OF REFERENCE. VISIT BY FINANCE MINISTER WOULD, OF COURSE, UNDERSCORE ZAMBIAN CONCERN OVER RENEWAL OF THE REVOLVING CREDIT LINES, BUT EXIM ALREADY WELL AWARE OF IMPORTANCE OF COPPER INDUSTRY TO ZAMBIA AND NEED FOR CONTINUED AVAILABILITY OF FINANCING TO THE COUNTRY. EXIM EXPECTS TO ACT ON THE RENEWALS LATER THIS MONTH. CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOAN GUARANTEES  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LUSAKA 1107, 78 LUSAKA 1297, 78 LUSAKA 788  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
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**Subject:** ZAMBIAN REQUEST FOR EXIM GUARANTEE EXTENSION  
**TAGS:** EFIN, ZA, XMB  
**To:** LUSAKA  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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